

MOTION BY SUPERVISOR JANICE HAHN

September 24, 2019

**Approval of an Option to Lease Agreement for the South Whittier Library Project**

On January 22, 2019, the Board of Supervisors (Board) authorized the Los Angeles County Development Authority (LACDA) to execute an Exclusive Negotiation Agreement (ENA), on behalf of the County of Los Angeles (County), with LINC Housing Corporation, Inc. (LINC) for the development of affordable housing at a site that formerly housed the South Whittier Library. LINC proposes to use the 17,000 square-foot County-owned parcel, located at 14433 Leffingwell Road in the unincorporated area of South Whittier (Property), to develop a new three-story building approximately 22,700 square feet in size, with 26 supportive housing units reserved for transition aged youth (TAY) living with a mental illness and one manager’s unit (Project). LINC’s Project will include a community room, common outdoor spaces, a computer room, laundry room, offices for supportive services and property management, and eight vehicle parking spaces.

LINC has an extensive track record of developing and managing quality affordable housing. Founded in 1984, LINC is a non-profit affordable housing developer and operator, and has created nearly 7,800 affordable homes in 76 communities. LINC

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is collaborating with Jovenes, a local non-profit organization, to provide on-site supportive services to the Project's population. Jovenes specializes in providing critical supportive services for young adults to end their cycle of homelessness.

Consistent with the terms outlined in the Request for Proposals solicitation process that led to the ENA with LINC, the LACDA, on behalf of the County, is now prepared to negotiate and execute an Option to Lease Agreement and subsequent Ground Lease with LINC to enable the Project to be constructed on the County-owned Property. The proposed Option to Lease Agreement and subsequent Ground Lease is authorized by Government Code Section 26227.

Under the terms of the Option to Lease Agreement, the County will grant LINC an exclusive option to enter into a Ground Lease provided that the following conditions are met:

- The Project has received CEQA clearances;
- The Project has obtained building permits;
- The Project has secured all financing - public and private loans (construction and permanent); including an allocation of low-income housing tax credits financing; and
- The County and the California Tax Credit Allocation Committee have agreed to a form of Lease Rider Agreement.

During the term of the Option Agreement, the County and LINC will negotiate and agree to a Ground Lease, which will incorporate a 66-year lease term, with annual rent to be repaid from a to-be-determined percentage of residual receipts. The term of the option period will expire on December 31, 2021.

On August 14, 2019, the Department of Regional Planning determined that the Project is not subject to CEQA because project approval pursuant to affordable housing SB35 is ministerial, and thereby exempt from CEQA pursuant to Public Resources Code Section 21080(B)(1) and section 15268 of the State CEQA Guidelines.

**I THEREFORE MOVE** that the Board of Supervisors:

1. Acting as a responsible agency pursuant to the California Environmental Quality Act (CEQA), certify that the County of Los Angeles has considered the attached exemption determination, which was prepared by the County of Los Angeles' Department of Regional Planning as lead agency and find that this project will not cause significant impact on the environment;
2. Approve the Project;
3. Delegate the authority to the Los Angeles County Development Authority (LACDA), and its Executive Director, or her designee, to act on behalf of the County to negotiate, execute, and if necessary, amend or terminate as to approval as to form by County Counsel, an Option to Lease Agreement and subsequent Ground Lease for a 66-year lease term, as well as any other documents consistent with, and/or necessary for, the implementation of the Project for property located at 14433 Leffingwell Road, in unincorporated South Whittier;
4. Authorize the LACDA, and its Executive Director, or her designee, to serve as the agent to the County to administer and monitor the Project;

**I FURTHER MOVE THAT the Board of Supervisors, acting as the Commissioners of the Los Angeles County Development Authority:**

1. Acting as a responsible agency pursuant to CEQA, certify that the County has considered the exemption determination for the Project, which was prepared by the County of Los Angeles Department of Regional Planning as lead agency, and find that the Project will not cause significant impact on the environment;
2. Approve the designation of the LACDA to serve as the agent of the County to manage the development of the Project;
3. Authorize the Executive Director, or her designee, to negotiate, execute, and if necessary, amend or terminate, on behalf of the County, the Option to Lease Agreement and subsequent Ground Lease, as well as any other documents consistent with, and/or necessary for the implementation of the foregoing approvals, upon satisfaction of the conditions set forth in the Option to Lease Agreement, and after approval as to form by County Counsel, with LINC to lease property located at 14433 Leffingwell Road in the unincorporated area of South Whittier; and
4. Authorize the Executive Director, or her designee, to execute any all related or ancillary documents or amendments to the Option to Lease Agreement and Ground Lease necessary to effectuate the action authorized hereby.

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